

**JACKSON PARISH  
RECREATION DISTRICT**

**ANNUAL FINANCIAL REPORT  
DECEMBER 31, 2019**

Jackson Parish Recreation District  
Jonesboro, Louisiana

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Jackson Parish Recreation District  
Jonesboro, Louisiana

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# Jackson Parish Recreation District

P. O. Box 315  
Jonesboro, LA 71251

## MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended December 31, 2019

The Management's Discussion and Analysis of the Jackson Parish Recreation District provides an overview and overall review of the District's financial activities for the year ended December 31, 2019. The intent of the MD&A is to look at the District's financial performance as a whole. It should, therefore be read in conjunction with this report.

### Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. Certain comparative information is presented to provide an over-view of the District's operations.

#### Government-Wide Financial Statements

- The Statement of Net Position presents all of the District's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the District's net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The Statement of Activities presents information showing how the District's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

#### Fund Financial Statements

- The services provided by the District are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's governmental fund is the General Fund (primary operating fund). These statements provide a short-term view of the District's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the District.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2019</u>	<u>2018</u>
ASSETS:		
Current Assets-		
Cash & Cash Equivalents	\$ 591,816	\$ 548,939
Inventory	11,292	11,291
Prepaid Expenses	20,059	20,059
Revenue Receivable	<u>883,819</u>	<u>884,560</u>
Total Current Assets	<u>\$1,506,986</u>	<u>\$1,464,849</u>
Noncurrent Assets-		
Net Pension Asset	\$ 0	\$ 23,300
Capital Assets (Net)	4,452,637	4,574,471
Capital Assets (Net)	<u>55,392</u>	<u>18,282</u>
Total Noncurrent Assets	<u>\$4,508,029</u>	<u>\$4,616,053</u>
Total Assets	<u>\$6,015,015</u>	<u>\$6,080,902</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 129,391</u>	<u>\$ 52,468</u>
LIABILITIES:		
Current Liabilities-		
Accounts Payable	\$ 18,688	\$ 3,129
Payroll Payables	13,620	13,206
Current Portion of Capital Leases	<u>21,137</u>	<u>3,693</u>
Total Current Liabilities	<u>\$ 53,445</u>	<u>\$ 20,028</u>
Long-Term Liabilities-		
Net Pension Liability	\$ 144,926	\$ 0
Long-Term Portion of Capital Leases	35,003	14,879
Compensated Absences	<u>22,195</u>	<u>12,043</u>
Total Long-Term Liabilities	<u>\$ 202,124</u>	<u>\$ 26,922</u>
Total Liabilities	<u>\$ 255,569</u>	<u>\$ 46,950</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 10,246</u>	<u>\$ 71,451</u>
NET POSITION:		
Net Investment in Capital Assets	\$4,451,889	\$4,574,181
Unrestricted	<u>1,426,702</u>	<u>1,440,788</u>
Total Net Position	<u>\$5,878,591</u>	<u>\$6,014,969</u>

## Summary of Statement of Activities

	<u>2019</u>	<u>2018</u>
REVENUES:		
Charges for Services	\$ 291,678	\$ 314,849
Capital Grants	0	3,500
General Revenues-		
Taxes	958,020	926,285
Interest	2,145	679
Non-employer Pension Revenue	2,495	2,334
Miscellaneous	<u>14,520</u>	<u>20,215</u>
Total Revenues	\$1,268,858	\$1,267,862
EXPENDITURES:		
Recreation	<u>1,405,236</u>	<u>1,273,210</u>
Change in Net Position	\$ <u>(136,378)</u>	\$ <u>(5,348)</u>

- The District's assets exceeded its liabilities by \$5,878,591 (Net Position) for the year. For the prior year, assets exceeded liabilities by \$6,014,969.
- Unrestricted Net Position of \$1,426,702 represents the portion available to maintain the District's obligation to both citizens and creditors. This is a decrease of \$14,086 from prior year.
- During 2019, the District spent \$260,518 on acquiring capital assets, including an archery course/walking path and new cart path at the golf course.

General Fund Budgetary Highlights

The District continues to receive sufficient revenue to provide recreational services to the citizens of the parish. Actual revenues were 11% less than budgeted amounts which is not within the allowable range (See Finding 2019-003). Actual expenditures were more than budgeted amounts by 2% variance which is within the allowable range.

Economic Factors and Next Year's Budget

The District has prepared its 2020 budget for the General Fund, taking into consideration the revenues and expenditures from prior year and any projected services and costs that may occur in 2020.

Contacting the District

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the District at P. O. Box 315, Jonesboro, LA 71251.

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation  
Roger M. Cunningham, CPA - A Professional Corporation  
Jessica H. Broadway, CPA - A Professional Corporation  
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**INDEPENDENT AUDITOR'S REPORT**

To the Members of the  
Jackson Parish Recreation District  
Jonesboro, LA 71251

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and major fund information of the Jackson Parish Recreation District (District), a component unit of the Jackson Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund information of the District as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, and Reporting Fraud and Misappropriation listed as other required supplementary information in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, and Reporting Fraud and Misappropriation are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, and Reporting Fraud and Misappropriation are fairly stated in all material respects in relation to the financial statements as a whole.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Report on Other Legal and Regulatory Requirements*

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report dated July 9, 2020, on the results of the statewide agreed-upon procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's  
Natchitoches, Louisiana

July 9, 2020

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

Jackson Parish Recreation District  
Statement of Net Position  
December 31, 2019

	<u>Governmental Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 591,816
Inventory	11,292
Prepaid Expenses	20,059
Revenue Receivable	<u>883,819</u>
Total Current Assets	<u>\$1,506,986</u>
Noncurrent Assets-	
Capital Assets (Net)	\$4,452,637
Right-of-Use Assets (Net)	<u>55,392</u>
Total Noncurrent Assets	<u>\$4,508,029</u>
Total Assets	<u>\$6,015,015</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 129,391</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 18,688
Payroll Payables	13,620
Current Portion of Capital Lease	<u>21,137</u>
Total Current Liabilities	<u>\$ 53,445</u>
Noncurrent Liabilities-	
Compensated Absences	\$ 22,195
Noncurrent Portion of Capital Lease	35,003
Net Pension Liability	<u>144,926</u>
Total Noncurrent Liabilities	<u>\$ 202,124</u>
Total Liabilities	<u>\$ 255,569</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 10,246</u>
NET POSITION:	
Net Investment in Capital Assets	\$4,451,889
Unrestricted	<u>1,426,702</u>
Total Net Position	<u>\$5,878,591</u>

See independent auditors' report and notes to financial statements.

Jackson Parish Recreation District  
Statement of Activities  
December 31, 2019

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Recreation-					
Personnel	\$ 383,777	\$ 0	\$0	\$0	\$ (383,777)
Programs	324,694	229,854	0	0	(94,840)
Concessions	53,019	61,824	0	0	8,805
Operations	<u>643,746</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(643,746)</u>
Total Governmental Activities	<u>\$1,405,236</u>	<u>\$291,678</u>	<u>\$0</u>	<u>\$0</u>	<u>\$(1,113,558)</u>
		General Revenues:			
				Property Taxes	\$ 958,020
				Interest	2,145
				Non-employer Pension Revenue	2,495
				Miscellaneous	<u>14,520</u>
				Total General Revenues	<u>\$ 977,180</u>
				Change in Net Position	\$ (136,378)
				Net Position January 1, 2019-Restated (See Note 1L)	<u>6,014,969</u>
				Net Position December 31, 2019	<u>\$ 5,878,591</u>

See independent auditors' report and notes to financial statements.

## FUND FINANCIAL STATEMENTS

Jackson Parish Recreation District  
Balance Sheet-Governmental Fund  
December 31, 2019

	<u>General Fund</u>
<b>ASSETS:</b>	
Cash & Cash Equivalents	\$ 591,816
Inventory	11,292
Prepaid Expenses	20,059
Revenue Receivables	<u>883,819</u>
Total Assets	<u>\$1,506,986</u>
<b>LIABILITIES:</b>	
Accounts Payable	\$ 18,688
Payroll Liabilities	<u>13,620</u>
Total Liabilities	<u>\$ 32,308</u>
<b>FUND BALANCE:</b>	
Nonspendable- Prepaid Expenses	\$ 20,059
Unassigned	<u>1,454,619</u>
Total Fund Balance	<u>\$1,474,678</u>
Total Liabilities & Fund Balance	<u>\$1,506,986</u>

See independent auditors' report and notes to financial statements.

Jackson Parish Recreation District  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Position  
December 31, 2019

Total Fund Balance for the Governmental Fund  
at December 31, 2019 \$ 1,474,678

Amounts reported for Governmental Activities in the  
Statement of Net Position are different because:

The following used in Governmental Activities are  
not financial resources. Therefore, they are not reported  
in the Governmental Fund Balance Sheet-

Capital Assets	6,854,821
Less, Accumulated Depreciation	(2,402,184)
Right-of-Use Assets	75,755
Less, Accumulated Amortization	(20,363)
Deferred Outflows of Resources	129,391

The following are not due and payable in the  
current period. Therefore, they are not reported in the  
Governmental Fund Balance Sheet-

Capital Lease Liabilities	(56,140)
Net Pension Liability	(144,926)
Accrued Compensated Absences	(22,195)
Deferred Inflows of Resources	<u>(10,246)</u>

Total Net Position of Governmental Activities  
at December 31, 2019 \$ 5,878,591

Jackson Parish Recreation District  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
December 31, 2019

	<u>General Fund</u>
Revenues:	
Ad Valorem Taxes	\$ 958,020
Commissions for Services-	
Baseball & Softball	64,975
Basketball	13,520
Golf Course	150,970
Concessions	61,824
Other Programs	389
Miscellaneous-	
Interest	2,145
Other	<u>14,520</u>
Total Revenues	<u>\$1,266,363</u>
Expenditures:	
Culture & Recreation-	
Baseball & Softball	\$ 104,168
Basketball	27,258
Concessions	53,019
Golf Course	163,161
Archery	20,922
Other Programs	9,185
Operating	297,177
Salaries & Related Expenditures	341,030
Capital Outlay	260,518
Debt Service	<u>16,421</u>
Total Expenditures	<u>\$1,292,859</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (26,496)
Other Financing Sources:	
Proceeds of Capital Leases	<u>52,661</u>
Excess of Revenues and Other Uses over Expenditures	\$ 26,165
Fund Balance-Beginning of Year	<u>1,448,513</u>
Fund Balance-End of Year	<u>\$1,474,678</u>

See independent auditors' report and notes to financial statements.

Jackson Parish Recreation District  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
for the Year Ended December 31, 2019

Net Change in Fund Balance- Governmental Fund \$ 26,165

Amounts reported for Governmental Activities in the Statement of Activities are different because: Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation and amortization expense. The current year amounts for these items were-

Capital Outlays	260,519
Depreciation Expense	(329,690)
Amortization Expense	(15,552)

Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These timing differences are summarized below:

Non-employer Pension Revenue	2,495
Accrued Compensated Absences	(10,153)
Pension Expense	(32,594)
Proceeds of Capital Leases	(52,661)
Capital Lease Payments	<u>15,093</u>

Change in Net Position of Governmental Activities \$(136,378)

## NOTES TO FINANCIAL STATEMENTS

Jackson Parish Recreation District  
Notes to Financial Statements  
December 31, 2019

Introduction:

The Jackson Parish Recreation District (the Recreation District) created March 21, 2001, as provided by Louisiana Revised Statute 33:4562, is located in Jackson Parish in northeast Louisiana. The Recreation District is governed by seven board members, appointed by the Jackson Parish Police Jury to act as the governing authority. The terms of the board members are five years and vacancies are filled by the Jackson Parish Police Jury.

The Recreation District was established to provide recreational programs and facilities for the residents of the parish funded by ad valorem taxes and program revenues.

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

As the governing authority of the parish, for reporting purposes, the Jackson Parish Police Jury (Police Jury) is the financial reporting entity for Jackson Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Jackson Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
  - a. The ability of the Police Jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Police Jury appoints the organization's governing body, and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury, the Recreation District was determined to be a component unit of the Jackson Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Recreation District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Jackson Parish Recreation District  
Notes to Financial Statements  
December 31, 2019

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Recreation District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING-

The accounts of the Recreation District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Recreation District has one fund, which is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The fund of the Recreation District is described below:

Governmental Fund-

General Fund - used to account for all financial resources, except those required to be accounted for in another fund.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Recreation District as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Jackson Parish Recreation District  
Notes to Financial Statements  
December 31, 2019

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Recreation District considers all revenues “available” if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred.

The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts and certificates of deposit of the Recreation District.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Recreation District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-10 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. PENSIONS-

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees’ Retirement System (PERS) and additions to/deductions from PERS’ fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Jackson Parish Recreation District  
Notes to Financial Statements  
December 31, 2019

#### H. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows or financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

#### I. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as Net Position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - all other resources that do not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

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- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund has an unassigned fund balance of \$1,454,619. If applicable, the Recreation District would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

J. ESTIMATES-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

K. BUDGET-

Prior to the beginning of each fiscal year, the Recreation District adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

L. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES-

As of January 1, 2019, the Recreation District implemented Governmental Accounting Standards Board (GASB) Statement 87 *Leases*, which recognizes certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. A single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset is established. This standard resulted in a cumulative change in accounting principle and also a restatement of net position. The net effect of the restatement was to decrease the net position of the Recreation District by \$290.

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Recreation District are subject to the following risk:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Recreation District will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes

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a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Recreation District that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Recreation District's name.

For reporting purposes, cash and cash equivalents includes demand deposits, time deposits. At December 31, 2019, the Recreation District had cash and cash equivalents (collected bank balances) totaling \$610,510, of which \$458,287 was secured by FDIC insurance and the remaining \$152,223 was secured by pledged securities.

3. Inventories:

Concession supplies are expensed when purchased. The amount on hand is not material to the financial statements. Inventory at the golf course pro shop is recorded at cost.

4. Ad Valorem Taxes:

The Recreation District levies taxes on real and business personal property located within the boundaries of Jackson Parish. Property taxes are levied by the Recreation District on property values assessed by the Assessor and approved by the State of Louisiana Tax Commission.

The Jackson Parish Sheriff's office bills and collects property taxes for the Recreation District. Collections are remitted to the Recreation District monthly. The Recreation District recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1
Levy date	November 15
Total taxes due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax sale	May 16

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2018. Total assessed value was \$228,002,460 in 2019. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$21,352,300 of the assessed value in 2019. For the year ended December 31, 2019, taxes of 4.63 mils were levied on the property.

The five largest taxpayers and their assessed valuation are as follows:

<u>Taxpayer</u>	<u>Assessed Value</u>
ETC Tiger Pipeline, LLC	\$38,359,230
Compass Energy Operating, LLC	37,475,650
Westrock CP, LLC	21,167,780
Regency Intrastate Pipeline	20,335,350
Enable Gas Transmission, LLC	9,894,460

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5. Receivables:

The following is a summary of receivables at December 31, 2019:

<u>Class of Receivable</u>	<u>General Fund</u>
Taxes-Ad Valorem	<u>\$883,819</u>

Substantially all receivables are considered to be fully collectible; therefore, no allowance for uncollectible accounts is used.

6. Leases:

The Recreation District entered into lease agreements for mowers for the golf course. The first lease was obtained in 2017 for a riding mower with a six year lease term. The second lease was obtained in May 2019 for a groundmaster with a three year lease term. The interest rate for both leases is 3.00%. Interest expense is \$1,328 for the year ended December 31, 2019.

Right-of-use assets and amortization activity as of and for the year ended December 31, 2019, is as follows:

<u>Governmental Activities</u>	<u>Balance 01-01-19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-19</u>
Right-of-use Assets:				
Outdoor Equipment	\$23,094	\$52,661	\$0	\$75,755
Less, Accumulated Amortization:				
Outdoor Equipment	<u>4,811</u>	<u>15,552</u>	<u>0</u>	<u>20,363</u>
Net Right-of-Use Assets	<u>\$18,283</u>	<u>\$37,109</u>	<u>\$0</u>	<u>\$55,392</u>

Amortization expense of \$15,552 was charged to the recreation function.

The changes in capital lease liabilities for December 31, 2019 are as follows:

Beginning Capital Lease Liabilities	\$ 18,572
Additions	52,661
Deletions	<u>(15,093)</u>
Ending Capital Lease Liabilities	<u>\$ 56,140</u>

The annual debt service requirements to maturity for these leases are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$21,137	\$1,395	\$22,532
2021	21,779	752	22,531
2022	10,113	197	10,310
2023	<u>3,111</u>	<u>39</u>	<u>3,150</u>
Total	<u>\$56,140</u>	<u>\$2,383</u>	<u>\$58,523</u>

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7. Post-Employment Benefits:

The Recreation District does not provide any post-employment benefits; therefore, no disclosure for GASB 45 is required.

8. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2019, is as follows:

Governmental Activities	Balance <u>01-01-19</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12-31-19</u>
Capital Assets Not Depreciated:				
Land	\$ 737,055	\$ 0	\$ 0	\$ 737,055
Construction in Progress	<u>61,606</u>	<u>164,341</u>	<u>(143,678)</u>	<u>82,269</u>
Total Assets Not Depreciated	<u>\$ 798,661</u>	<u>\$164,341</u>	<u>\$(143,678)</u>	<u>\$ 819,324</u>
Capital Assets Depreciated:				
Athletic Equipment	\$ 150,650	\$ 0	\$ 0	\$ 150,650
Vehicles	60,747	0	0	60,747
Buildings	2,235,487	0	0	2,235,487
Grounds Equipment	143,125	0	0	143,125
Kitchen Equipment	20,212	0	0	20,212
Land Improvements	2,968,293	151,427	0	3,119,720
Office Equipment	19,764	0	0	19,764
Outdoor Equipment	<u>250,025</u>	<u>35,767</u>	<u>0</u>	<u>285,792</u>
Total Assets Depreciated	<u>\$5,848,303</u>	<u>\$187,194</u>	<u>\$ 0</u>	<u>\$6,035,497</u>
Total Assets	<u>\$6,646,964</u>	<u>\$351,535</u>	<u>\$(143,678)</u>	<u>\$6,854,821</u>
Less, Accumulated Depreciation:				
Athletic Equipment	\$ 94,304	\$ 17,034	\$ 0	\$ 111,338
Vehicles	60,745	1	0	60,746
Buildings	468,881	88,887	0	557,768
Grounds Equipment	111,283	11,775	0	123,058
Kitchen Equipment	12,063	3,073	0	15,136
Land Improvements	1,130,530	170,341	0	1,300,871
Office Equipment	12,541	2,220	0	14,761
Outdoor Equipment	<u>182,147</u>	<u>36,359</u>	<u>0</u>	<u>218,506</u>
Total Depreciation	<u>\$2,072,494</u>	<u>\$329,690</u>	<u>\$ 0</u>	<u>\$2,402,184</u>
Net Capital Assets	<u>\$4,574,470</u>	<u>\$ 21,845</u>	<u>\$(143,678)</u>	<u>\$4,452,637</u>

Depreciation expense of \$329,690 was charged to the recreation function.

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9. Compensated Absences:

All full-time employees earn annual leave at rates varying from twelve to twenty-one days each year depending upon length of service. Employees of the Recreation District shall not accrue more than twenty-one days of annual leave. Upon termination, no employees shall be paid for accrued annual leave. In addition, all full-time employees earn twelve to twenty-one days of sick leave each year depending on length of service. Sick leave can accumulate without limitation. Upon separation of employment, employees will be paid for a maximum of twenty-five days of unused sick leave at the employee's current rate of pay. Upon retirement, employees may elect to receive pay for up to twenty-five days of unused sick leave at the employee's current rate of pay.

The following is a summary of the accrual of compensated absences for the year ended December 31, 2019:

<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
<u>\$12,042</u>	<u>\$10,153</u>	<u>\$0</u>	<u>\$22,195</u>

10. Pension Plan:

*Plan Description*

The Recreation District contributes to Parochial Employees' Retirement System of Louisiana (System) which is a cost-sharing multiple employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically, and other general laws of the State of Louisiana. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at [www.persla.org](http://www.persla.org).

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

*Benefits Provided*

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

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## Retirement

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

- At any age after 30 or more years of creditable service
- At age 55 after 25 years of creditable service
- At age 60 after 10 years of creditable service
- At age 65 after 7 years of creditable service

For employees hired after January 1, 2007:

- At age 55 after 30 years of creditable service
- At age 62 after 10 years of creditable service
- At age 67 after 7 years of creditable service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

## Survivor's Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

## Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

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Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

### **Disability Benefits**

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and have been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

### **Cost-of-Living Increases**

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (LA R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

### *Contributions*

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate was 9.99% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2018 was 11.50%.

According to state statute, the System also receives  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A in proportion to the member's compensation. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer revenue is \$2,495.

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The Recreation District's contractually required composite contribution rate for the year ended December 31, 2019 was 11.50% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District were \$22,900 for the year ended December 31, 2019.

*Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At December 31, 2019, the Recreation District reported a liability of \$144,926, and at December 31, 2018, an asset of \$23,301 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability was measured as of December 31, 2018, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Recreation District's proportion of the Net Pension Liability was based on a projection of the Recreation District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2018, the District's proportion was .03265%, which was an increase of .00126% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the District recognized pension expense of \$56,318 minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$(823).

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 8,829
Changes in assumption	36,236	0
Net difference between projected and actual earnings on pension plan investments	69,376	0
Changes in employer's proportion of beginning net pension liability	490	1,332
Differences between employer contributions and proportionate share of employer contributions	389	85
Subsequent Period Contributions	22,900	0
<b>Total</b>	<b>\$129,391</b>	<b>\$10,246</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31:	
2019	\$32,832
2020	17,709
2021	15,058
2022	30,646
<b>Total</b>	<b>\$96,245</b>

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*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018 is as follows:

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years.
Investment Rate of Return	6.50%, net of investment expense, including inflation.
Inflation Rate	2.40% per annum.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.  Experience study performed on plan data for the period January 1, 2013 through December 31, 2017.
Salary Increases	4.75%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018. The best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real Assets	2%	0.11%
Total	100%	5.43%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

*Sensitivity of the Employer's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate*

The following presents the Recreation District's proportionate share of the Net Pension Liability using the discount rate of 6.50%, as well as what the Recreation District's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

	1.0% Decrease (5.50%)	Current Discount Rate (6.50%)	1.0% Increase (7.50%)
Employer's proportionate share of net pension liability (asset)	\$307,783	\$144,926	\$8,791

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at [www.persla.org](http://www.persla.org).

*Payables to the Pension Plan*

These financial statements include a payable to the pension plan of \$10,017, which is the legally required contribution due at December 31, 2019. This amount is recorded in accrued expenses.

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11. Compensation Paid Commission Members:

Board members receive \$40 per diem for reimbursement of travel expenses for each meeting he or she attends.

Chris Womack	\$ 400
Ricky Cash	440
Rodney Potts, Jr.	480
Ronald Washington	160
Daren Alexander	<u>160</u>
Total	<u>\$1,640</u>

12. Litigation and Claims:

Management has advised that there is no litigation pending against the Recreation District at December 31, 2019.

13. Subsequent Events:

Management has evaluated events through July 9, 2020, the date which the financial statements were available for issue. The following items were noted that needed to be reported as subsequent events.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the District operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the District anticipates this could negatively affect its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

Jackson Parish Recreation District  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Ad Valorem	\$ 1,116,050	\$ 1,116,050	\$ 958,020	\$ (158,030)
Intergovernmental	\$ 70,000	\$ 70,000	\$ -	\$ (70,000)
Fees for Services & Programs	121,000	141,100	140,708	(392)
Golf Course	148,250	154,650	150,970	(3,680)
Interest	1,000	750	2,145	1,395
Miscellaneous	10,000	5,600	14,520	8,920
Total Revenues	<u>\$ 1,466,300</u>	<u>\$ 1,488,150</u>	<u>\$ 1,266,363</u>	<u>\$ (221,787)</u>
<b>EXPENDITURES:</b>				
Office & Administration	\$ 197,600	\$ 259,760	\$ 248,003	\$ 11,757
Recreation Programs	152,000	163,600	161,533	2,067
Golf Course	152,900	173,600	163,161	10,439
Concessions	58,000	58,000	53,019	4,981
Payroll & Related Benefits	382,000	382,000	341,030	40,970
Telephone & Utilities	50,000	45,000	49,174	(4,174)
Capital Outlay	155,000	185,000	260,518	(75,518)
Debt Service	-	-	16,421	
Total Expenditures	<u>\$ 1,147,500</u>	<u>\$ 1,266,960</u>	<u>\$ 1,292,859</u>	<u>\$ (9,478)</u>
Excess of Revenues over Expenditures	\$ 318,800	\$ 221,190	\$ (26,496)	\$ (231,265)
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from Capital Leases	-	-	52,661	52,661
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 318,800	\$ 221,190	\$ 26,165	\$ (195,025)
Fund Balance- Beginning of Year	<u>1,448,513</u>	<u>1,448,513</u>	<u>1,448,513</u>	<u>-</u>
Fund Balance- End of Year	<u>\$ 1,767,313</u>	<u>\$ 1,669,703</u>	<u>\$ 1,474,678</u>	<u>\$ (195,025)</u>

See independent auditors' report and notes to financial statements.

Jackson Parish Recreation District  
Schedule of Employer's Share of Net Pension Liability  
For the Year Ended December 31, 2019

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
2015	.02960%	\$ 8,092	\$214,530	3.77%	99.15%
2016	.03742%	\$ 98,495	\$222,861	44.20%	92.23%
2017	.03758%	\$ 77,394	\$192,604	40.18%	94.15%
2018	.03139%	\$ (23,301)	\$200,468	-11.62%	101.98%
2019	.03265%	\$144,926	\$199,134	72.78%	88.86%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditors' report and notes to financial statements.

Jackson Parish Recreation District  
Schedule of Employer Contributions  
For the Year Ended December 31, 2019

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$31,107	\$31,107	\$0	\$214,530	14.50%
2016	\$28,972	\$28,972	\$0	\$222,861	13.00%
2017	\$24,076	\$24,076	\$0	\$192,604	12.50%
2018	\$23,054	\$23,054	\$0	\$200,468	11.50%
2019	\$22,900	\$22,900	\$0	\$199,134	11.50%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended December 31, 2019.

See independent auditors' report and notes to financial statements.

Jackson Parish Recreation District  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2019

Agency Head Name: Tommy Smith, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$61,000
Benefits- Retirement	7,015
Benefits- Medicare	885
Reimbursements	<u>0</u>
Total	<u>\$68,900</u>

See independent auditor's report.

Reporting Fraud and Misappropriations

Agency Name: Jackson Parish Recreation District

Fiscal Year End: December 31, 2019

<u>Element of Finding</u>	<u>Response</u>
1. A general statement describing the fraud or misappropriation that occurred.	The revenues received at the golf course were misappropriated by the golf course manager.
2. A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Cash
3. The amount of funds or approximate value of assets involved.	\$19,000
4. The department or office in which the fraud or misappropriation occurred.	Golf Course
5. The period of time over which the fraud or misappropriation occurred.	Seven month period
6. The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	The golf course manager (Everett Zehr) admitted to the misappropriation of assets.
7. The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	The charges have been filed and are awaiting a court hearing.
8. Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	No
9. If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	N/A
10. Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Yes, we have contacted the Jackson Parish Sheriff's Office, 2 <sup>nd</sup> Judicial District Attorney and our Independent Auditor.
11. What is the status of the investigation at the date of the auditor's/accountant's report?	The Sheriff's office has investigated this matter. Mr. Zehr was arrested and awaiting a court hearing.

Reporting Fraud and Misappropriations  
(continued)

Agency Name: Jackson Parish Recreation District

Fiscal Year End: December 31, 2019

<u>Element of Finding</u>	<u>Response</u>
12. If the investigation is complete and the person believed to have committed the act or fraud or misappropriation has been identified, has the agency filed charges against that person?	Yes
13. What is the status of any related adjudication at the date of the auditor's/accountant's report?	Awaiting court hearing.
14. Has restitution been made or has an insurance claim been filed?	No
15. Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	Yes
16. Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	Yes
17. If the answer to the last questions is "no", described the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	N/A
18. Management's plan to ensure that the fraud or misappropriation does not occur in the future.	Increase review by the Director and CPA involvement.

See independent auditor's report.

OTHER REPORTS/SCHEDULES

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Members of the  
Jackson Parish Recreation District  
Jonesboro, LA, 71251

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund of the Jackson Parish Recreation District (District) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 9, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of audit findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of audit findings as item 2019-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of audit findings as item 2019-002 to be significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as item 2019-003.

### **Jackson Parish Recreation District's Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying schedule of audit findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's  
Natchitoches, Louisiana

July 9, 2020

Jackson Parish Recreation District  
Schedule of Audit Findings  
Year Ended December 31, 2019

I. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Jackson Parish Recreation District.
2. There was one material weakness and one significant deficiency in internal control noted during the audit of the financial statements.
3. There was one instance of noncompliance material to the financial statements of the Jackson Parish Recreation District disclosed during the audit.

II. Findings in Accordance with Governmental Auditing Standards

Internal Control-

*2019-001 Cash Collections at the Golf Course*

*Criteria* - Adequate and effective internal control systems require timely detection of fraud and misappropriation.

*Condition* - The Golf Course manager admitted to misappropriation of cash receipts in the amount of \$12,000 for the golf course over a seven month period. The outside CPA firm estimated the theft to be approximately \$19,000. The Golf Course manager was arrested by the Jackson Parish Sheriff's Department and bond was set. Due to the timing of the arrest and the type of hearing required, the court hearing has not occurred as of the date of the auditor's report.

*Cause* - Inadequate internal controls at the Golf Course.

*Effect* - The District suffered a loss of revenue due to misappropriated resources.

*Recommendation* - Procedures should be implemented to ensure that cash collections for the Golf Course are properly handled, deposited and recorded.

*Management's Response* - Management has implemented controls at the golf course to ensure that cash collections are properly handled, deposited, and recorded. Cash is collected from patrons of the golf course and stored in the register until the end of the day. At the end of the day, the cash is reconciled to the cash register receipt and a deposit slip is created. The following morning, the Director reconciles the cash register receipt to the deposit slip and takes the deposit to the bank. Cash register receipts are given to the contract accountant to reconcile to the bank statement at the end of each month.

*2019-002 Segregation of Duties*

*Criteria* - Proper internal controls dictate that duties be segregated so that no one individual performs or controls all duties related to the accounting system.

*Condition* - Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties for cash collections at the sports complex, concessions and the golf course.

Jackson Parish Recreation District  
Schedule of Audit Findings  
Year Ended December 31, 2019

*Cause* - The Recreation District does not adequately separate accounting duties.

*Effect* - Intentional or unintentional errors could be made and not detected within the accounting system.

*Recommendation* - Oversight procedures should be implemented for all cash collections.

*Management's Response* - See response to 2019-001 *Cash Collections at the Golf Course*. Management will develop written policies and procedures for cash collections.

Compliance-

2019-003 *Compliance with Local Government Budget Act*

*Criteria* - Louisiana Revised Statute 39:1311 states that total actual revenues and other sources should not fail to meet total budgeted revenues and other sources by more than 5%.

*Condition* - Actual revenues were less than budgeted revenues by more than the 5% variance allowed.

*Cause* - The Jackson Parish Recreation District did not amend the budget appropriately to be in compliance with state revised statutes.

*Effect* - The budget cannot be used as an effective management tool to control expenditures.

*Recommendation* - It is recommended that the District institute procedures to ensure the budget is amended appropriately whenever actual revenues are less than budgeted revenues by more than 5% and/or actual expenditures are more than budgeted expenditures by more than the 5% allowed.

*Management's Response* - The District will develop and implement written policies and procedures for adopting and amending the budget to ensure that action is taken when revenues or expenditures vary by more than 5%.

III. Prior Year Findings

None identified.

**T | C | B | T**  
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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
STATEWIDE AGREED-UPON PROCEDURES**

To the Board of Directors  
Jackson Parish Recreation District  
Jonesboro, LA, 71251

We have performed the procedures enumerated below, which were agreed to by Jackson Parish Recreation District (the "District") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The District is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated findings are enumerated below.

***Written Policies and Procedures***

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1. We obtained and inspected the entity's written policies and procedures and observed whether those written policies and procedures address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
  - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - ***Disbursements***, including processing, reviewing, and approving.
  - ***Receipts***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
  - a) *Procedure Results - The written policies and procedures do not address the functions for recording of receipts and management's actions to ensure completeness of all collections. There are no written policies and procedures for disaster recovery and/or business continuity.*

### **Bank Reconciliations**

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2. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We identified the entity's main operating account. We selected the entity's main operating account and randomly selected four additional accounts (or all if less than five). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
  - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
  - Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and
  - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
    - a) *Procedure Results - We noted one exception. There was no evidence of researching reconciling items that have been outstanding for more than 12 months.*

### *Collections*

---

3. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected the required amount of deposit sites (up to five).
4. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties were properly segregated at each collection location such that:
  - Employees that are responsible for cash collections do not share cash drawers/registers.
  - Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
5. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
6. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. We obtained supporting documentation for each of the deposits selected and:
  - We observed that receipts are sequentially pre-numbered.
  - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - We traced the deposit slip total to the actual deposit per the bank statement.
  - We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - We traced the actual deposit per the bank statement to the general ledger.
  - a) *Procedure Results - The following exceptions were noted: The employees do share cash registers. The same person at each collection site collects the money and makes the deposit. The office manager posts all deposits to the general ledger, in addition to collecting money and making deposits. The deposits are not always made within one business day of receipt.*

***Non-Payroll Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

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7. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
8. For each location selected under #8 above, we obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
  - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - At least two employees are involved in processing and approving payments to vendors.
  - The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
9. For each location selected under #7 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
  - We observed that the disbursement matched the related original invoice/billing statement.
  - We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #8, as applicable.
    - a) *Procedure Results - The Office Manager performs all of the functions in item #8 by herself; except she does not make any purchases or place orders.*

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

10. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
11. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), and obtained supporting documentation, and:
  - We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
  - We observed that finance charges and late fees were not assessed on the selected statements.

12. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.

a) *Procedure Results - We noted no exceptions.*

***Ethics (excluding nonprofits)***

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13. Using the five randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, we obtained ethics compliance documentation from management, and:

- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- We observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

a) *Procedure Results - We noted no exceptions.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Jackson Parish Recreation District and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than the specified parties.

Respectfully,

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA’s  
Natchitoches, Louisiana

July 9, 2020

Jackson Parish Recreation District  
Management's Response to Exceptions to  
Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2019

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

Item 1: *Procedure Results - The written policies and procedures do not address the functions for recording of receipts and management's actions to ensure completeness of all collections. There are no written policies and procedures for disaster recovery and/or business continuity.*

Management's Response - The District will develop written policies and procedures on cash collections and disaster recovery and/or business continuity.

Item 2: *Procedure Results - We noted one exception. There was no evidence of researching reconciling items that have been outstanding for more than 12 months.*

Management's Response - The contract accountant will review the outstanding reconciling items with the Director each month to ensure that outstanding items are researched.

Item 4: *Procedure Results - The following exceptions were noted: The employees do share cash registers. The same person at each collection site collects the money and makes the deposit. The office manager posts all deposits to the general ledger, in addition to collecting money and making deposits. The deposits are not always made within one business day of receipt.*

Management's Response - The District has adopted procedures to segregate duties for cash collections, deposits, and recording, and the District will develop written policies and procedures. Currently, the employees must share registers, but the District is in the process of updating the registers and the sales register program to separate employee registers.

Item 8: *Procedure Results - The Office Manager performs all of the functions in item #8 by herself, except she does not make any purchases or place orders.*

Management's Response - The contract accountant will provide the District with a listing of cash disbursements and new vendor list each month that the Board can review and approve.